

## STATISTICAL BRIEF #133

July 2006

### Employer-Sponsored Health Insurance for Small Employers in the Private Sector, by Industry Classification, 2004

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#### Introduction

Employer-sponsored health insurance for current workers is one of the primary sources of health insurance coverage in the United States. According to data from the Insurance Component of the 2004 Medical Expenditure Panel Survey (MEPS-IC), approximately 97.2 million of the 112.1 million employees from the private sector worked in firms where the employer offered health insurance. Of those employees who worked where health insurance was offered, approximately 61.6 million were enrolled.

This Statistical Brief presents estimates, by industry classification, on the percentage of employees who worked for small private sector employers (firms with fewer than 50 employees) who offered health insurance and of employees working in such firms who enrolled in offered health insurance plans. The brief also provides estimates on the average employee contributions toward premiums for single coverage and for family coverage. Only those estimates that had a statistically significant difference from the national average at the 0.05 percent significance level are noted in the text.

Although a large percentage of private sector employees worked where health insurance was offered in 2004, small private sector employers were much less likely to offer health insurance than other firms or governments. Among these small employers, the offer rates varied considerably by industry. Furthermore, the employee costs for employer-sponsored health insurance also differed significantly by industry among the small private sector employers.

#### Findings

Among the 33.7 million employees who worked for small private sector employers in 2004, 61.0 percent (figure 1) worked where the employer offered health insurance. This rate varied considerably by industry classification. The percentage of employees who worked for small employers who offered health insurance was 81.6 percent for the combined Mining and Manufacturing sectors, 79.4 percent for the Wholesale Trade sector, 72.5 percent for the Financial Services and Real Estate sector, and 70.2 percent for the Professional Services sector. All these rates were significantly higher than the national average for small employers. Alternatively, the rates for the Other Services and Retail Trade industries were significantly lower than the national average for small employers, with only 46.7 percent and 54.1 percent, respectively, of employees in these small firms working where health insurance was offered.

#### Highlights

- In 2004, 61.0 percent of employees of small private sector employers worked where health insurance was offered.
- In 2004, 61.9 percent of employees who worked at small employers that offered health insurance enrolled. There was substantial variation in the enrollment rates among small employers by industry classification.
- The average premium contribution per enrolled employee for single coverage across small private sector employers was \$547.
- The average premium contribution per enrolled employee for family coverage across small private sector employers was \$2,456.

Among employees of small employers who worked where health insurance was offered, 61.9 percent (figure 2) enrolled. The enrollment rates for small employers were 46.3 percent for employees in the Other Services industry and 55.2 percent in the Retail Trade industry. Both these rates were significantly lower than the national average for small employers. The rates of 70.5 percent for the combined Mining and Manufacturing industries, 71.2 percent for the Financial Services and Real Estate industries, 71.5 percent for the Wholesale Trade sector, and 66.4 percent for the Professional Services sector were all significantly higher than the national average for small employers.

Average employee contributions toward premiums for small private sector employers in 2004 were \$547 (figure 3) for single coverage and \$2,456 (figure 4) for a family of four. Employees working for small employers in the Retail Trade sector required the higher than average single coverage premium contribution of \$710 (figure 3).

## Data Source

This Statistical Brief summarizes data from the 2004 MEPS-IC. The data are available on the MEPS Web site ([www.meps.ahrq.gov](http://www.meps.ahrq.gov)) or have been produced using special computation runs on the confidential MEPS-IC data available at the U.S. Census Bureau.

## Definitions

In this brief, an employer is defined as a private sector firm. A firm is defined as a business entity which controls one or more business establishments or locations. Consequently, an employer can have multiple work locations. Only small employers with fewer than 50 employees across all their locations were included in this analysis.

The classification by industry is based upon the North American Industrial Classification System.

## About MEPS-IC

MEPS-IC is a survey of business establishments and governments that collects information on employer-sponsored health insurance, such as whether insurance is offered, enrollments, types of plans, and premiums. The survey is conducted annually by the U.S. Census Bureau under the sponsorship of the Agency for Healthcare Research and Quality. The yearly response rate has averaged 78 percent for in-scope sample units. Approximately 4 percent of the original sample has been out-of-scope in a typical year. A total sample of 42,000 private sector establishments was selected for the 2004 survey, prior to accounting for losses due to nonresponse and out-of-scope cases.

For more information on this survey, see MEPS Methodology Reports 6, 8, and 10 and the MEPS-IC Technical Appendix, which are available on the MEPS Web site ([www.meps.ahrq.gov](http://www.meps.ahrq.gov)).

## Suggested Citation

Sommers, J. *Employer-Sponsored Health Insurance for Small Employers in the Private Sector, by Industry Classification, 2004*. Statistical Brief #133. July 2006. Agency for Healthcare Research and Quality, Rockville, MD. <http://www.meps.ahrq.gov/papers/st133/stat133.pdf>

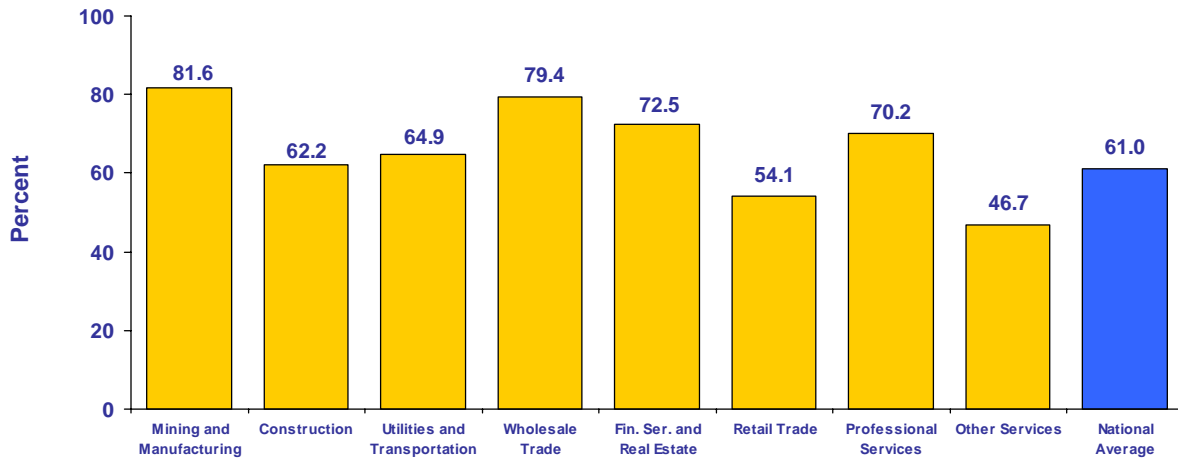
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at [mepspd@ahrq.gov](mailto:mepspd@ahrq.gov) or send a letter to the address below:

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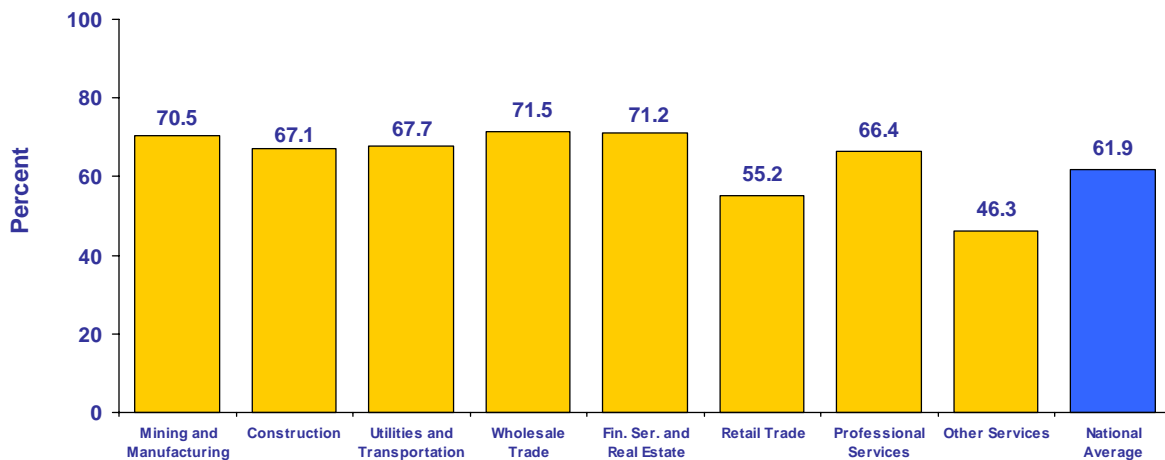
**Figure 1. Percentage of private sector employees in firms with fewer than 50 employees who worked where health insurance was offered, by industry, 2004**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



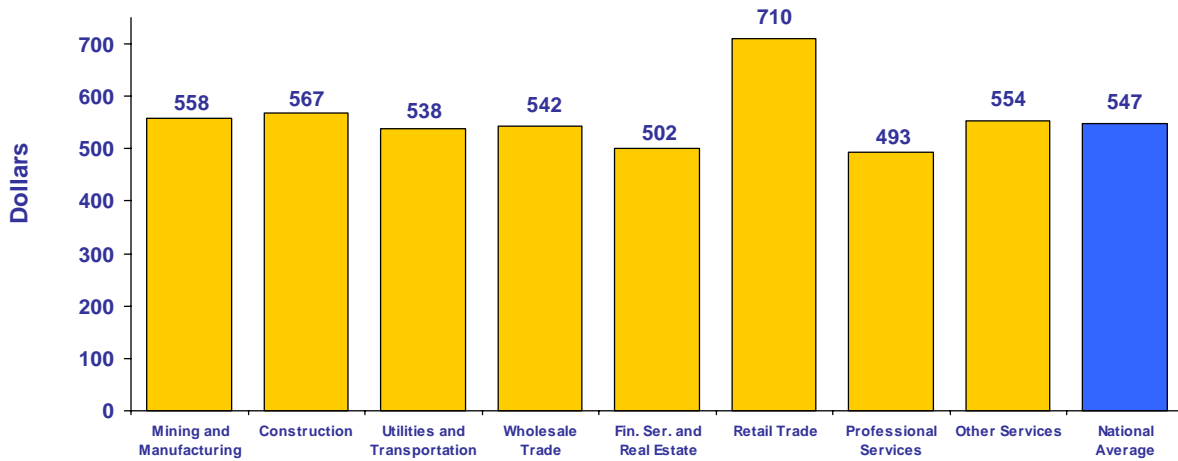
**Figure 2. Percentage of employees enrolled in health insurance in establishments that offered health insurance for firms with fewer than 50 employees, by industry, 2004**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



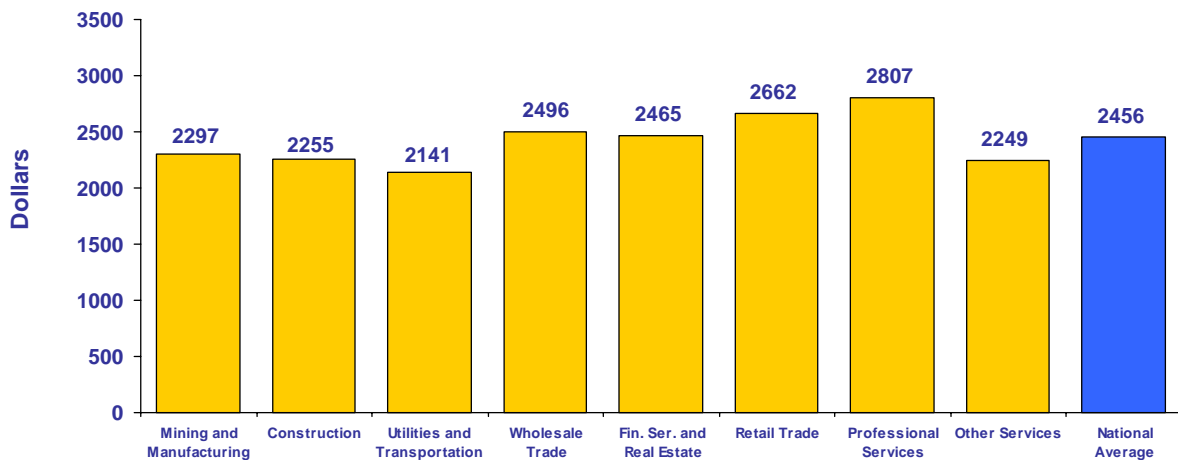
**Figure 3. Average employee contribution per enrolled employee for single coverage at establishments within firms with fewer than 50 employees, by industry, 2004**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



**Figure 4. Average employee contribution per enrolled employee for coverage for a family of four at establishments within firms with fewer than 50 employees, by industry, 2004**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004